Blake Motal

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Small is Beautiful: Economics as if People Mattered

E.F. Schumacher addresses how in the excitement over the unfolding of scientific and technical powers, modern man has built a system of production that damages nature and a type of society that devalues man. The development of production and the acquisition of wealth have become the highest goals of the modern world, no matter the cost. Schumacher calls humanity on a “collision course,” and changes in the last 25 years (1948 – 1973) both in quantity and quality of the industrial processes have introduced us to a new crisis in which we are destroying the foundation in which we exist. To solve this fundamental problem Schumacher offers a solution; a lifestyle change into a “lifestyle for permanence,” a greater need for an evolution in affordable small scale technology and technology with a face so everyone can enjoy work instead of work week to week for a pay packet.

While industrialization is what is damaging the planet, Schumacher puts most of the blame on economics. He finds that the majority of economic thinking is based on the idea of maximizing profits and results in a lot of greed and self-centered thinking on behalf of businesses and individuals. Because humans have been removed from direct contact with nature and into factories and offices, nature is often and after-thought in most people’s eyes. Resources such as petroleum and other forms of energy and minerals are used as quickly as possible in the creation of wealth instead of being thought of as something that should be conserved. This same school of thought can be applied to many other of Earth’s natural resources and he believes this is slowly destroying the earth.

Schumacher begins to address other less developed counties in the latter half of his book. He asserts that current efforts to drive development in third world countries are not effective. He argues one cannot “create” development. Genuine development demands three conditions: education, organization and discipline. He follows up these conditions for a call for appropriate intermediate technology to help the very poor and gives some rules for the development of the very poor; Create work places in rural areas, create work places that are inexpensive, use simple technology, use local materials for local consumption. He then further illustrates four factors that are needed in creating sustainable labor and an economy in poorly developed environments; the people need to be motivated to produce, they need to know how to produce, they need the capital to produce and they need markets for their goods. E.F. Schumacher gives strong opinions on how humanity and earth can be redirected off his proclaimed “collision course” and onto a course of global sustainability.